



THE HAWAII STATE HOUSE OF REPRESENTATIVES  
The Twenty-Seventh Legislature  
Regular Session of 2013

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

The Honorable Rep. Mark Nakashima, Chair  
The Honorable Rep. Mark Hashem, Vice Chair

DATE OF HEARING: Friday, March 15, 2013  
TIME OF HEARING: 9 a.m.  
PLACE OF HEARING: Conference Room 309

**TESTIMONY ON SB1057 SD2 RELATING TO EMPLOYER UNION HEALTH BENEFITS  
TRUST FUND CONTRIBUTIONS**

By DAYTON M. NAKANELUA,  
State Director of the United Public Workers,  
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW opposes SB1057 SD2 that establishes employer contribution amounts for plan years 2011-2012 and 2012-2013 for Employer-Union Health Benefits Trust Fund (EUTF) health benefit plan premiums for the employees of collective bargaining unit (10) and their excluded counterparts.

UPW is concerned because SB1057 SD2 reduces the amount of the employer's contribution to the EUTF for plan years 2011-2012 and 2012-2013 for Unit 10. The current draft is inconsistent with the 60-40 ratio that historically has defined the EUTF contributions between employers and employees. To retroactively reduce the contribution ratio to 50-50 through legislation would impair the vested rights in the bargain reached.

We urge this Committee to amend SB1057 SD2 to hold the State public employers to the agreement they made to retain the 60-40 ratio concept in EUTF contributions.

Thank you for the opportunity to testify on this measure.